IT Initiative Supplement

February 25, 2010

I. Project Description

Project Title: HIPPS Maintenance and Support
Brief Description of the Project Title: The Health Insurance Premium Payment System (HIPPS) electronically receives referrals for the Health Insurance Premium Payment program from the Medicaid eligibility system and enables Third Party Liability (TPL) staff to determine if paying health insurance premiums with Medicaid funds is cost effective for qualifying individuals. HIPPS is managed by the Technology Services Division (TSD) through a contract with an outside vendor. The Department is replacing its current system with a modern web-based system that increases its functionality and interoperability. After implementation of the new HIPP System, it is anticipated that maintenance tasks will be required to modify the system to meet the required State and Federal mandates, as well as to implement / modify functionalities within the system that will allow the system to become more effective for the business users / process.

Statewide Priority: 1
Agency Priority: 1
Estimated Completion Date: FY2015
IT Project Biennium: FY2010-11, FY2012-13, FY2014-15
Request Number:
Version:

Agency Number: 6901
Agency Name: DPHHS
Program Number:
Program Name: Health Insurance Premium Payment Program

A. Type of Project (check all that apply)

- **Enhancement**
- **Replacement**
- **New**
- ✓ **O&M**

B. Type of System (check all that apply)

- **Mid-Tier**
- **Mainframe**
- **GIS**
- ✓ **Web**
- ✓ **Network**
- **Desktop**

II. Narrative

C. Executive Summary

Project Purpose and Objectives:

The purpose of this project is to provide the availability to maintain and enhance the new HIPP System on an ongoing basis, allowing for the users to complete their necessary day to day tasks. As with any new system, additional maintenance or enhancements will be required to ensure the system suits the business need after implementation. In addition, as State and Federal policies and mandates evolve, the system may have to be modified to adhere to these new policies and regulations. This is especially vital with Health Care Reform "looming", which will most likely require adjustments to the HIPP System and/or business processes.

The objective of this project is to ensure that the HIPP System will provide the ability for the users to complete their daily tasks, in an automated fashion. The system is designed to minimize the need for paper in general, allow the users to work HIPP cases, and provide the HIPP benefit to participants in a timely manner. In order to accomplish this objective, the system will have to be updated to utilize the infrastructure and technologies currently employed by DPHHS, in an effort to maximize efficiencies and continue to provide services to participant in an expedited manner.

Technical Implementation Approach:

As modifications to the system are identified, whether by user, DPHHS staff, or as a result of a policy / procedure change, a request will be submitted to the ITFM vendor. Based on this request, DPHHS will be provided a cost and time estimate for the desired modification. DPHHS will then be required to approve the estimate, and interact as needed with the vendor staff through the implementation of the approved modification. Maintenance and support services provided to the HIPP System will be completed and paid for on an as needed basis.

Project Schedule and Milestones:

The new HIPP System is targeted to implement July 15, 2010. Post implementation of the HIPP System, any issues, defects, or desired modification will be submitted, logged, and tracked using a tracking software solution that is utilized for the systems included in the ITFM system. The potential for desired modifications to the HIPP System is anticipated to be high in volume after implementation occurs, and then trend to a significantly low volume, supporting the need for fixes on an as needed basis. However, it is expected that the schedule and milestones associated to HIPPS maintenance will be continuous due to the ongoing nature of maintenance and required changes. It is anticipated that modifications required due to State or Federal mandates, or changes to policy or procedure will occur within the timeframe allotted.

D. Business and IT Problems Addressed

The implementation of the new HIPP System will provide various cost savings for the HIPP program due to its automation, and the use of new technologies, such as interfaces with AWACS and CHIMES. Other cost savings are recognized associated with the time required to properly work a HIPP case, and the reduction / elimination of the manual printing and filing of essential documents currently required.

The ability to provide the necessary maintenance and enhancements to the HIPP System will allow for continued cost savings by reducing the manual efforts required to effectively provide HIPP benefits. In addition, it will allow HIPPS to continue to provide and share information with other systems, and utilize the System Oriented Architecture envisioned for the Department. System maintenance will provide the opportunity to continue to use the HIPP System to administer HIPP benefits in an effective and timely manner, streamline the business processes, and adhere to required regulatory changes.

E. Alternative(s)

Alternatives Considered:
Alternative 1 – Do not engage in maintenance activities for the HIPP System. This alternative is not a viable option. With the implementation of a new system that interfaces with AWACS and CHIMES, not providing maintenance will most likely make the system and its automated functions unusable, especially as changes are made to the interfacing systems that may impact the HIPP System. In addition, with the HIPP system being brand new, it is expected that changes will be required after implementation, to compensate for defects not found during testing, or business needs that have changed since the design of the system 4 years ago.

Alternative 2 – Allow for internal staff, such as ISB, to make the necessary modifications to the system. This alternative is not very viable, as the specific knowledge and technical expertise for the HIPP System, and its interfaces is not available at ISB.

Alternative 3 – Allow for the HIPP System to be maintained as part of the ITFM contract. This option provides the most benefit, as it will allow for more resource availability, to make necessary modifications to the system in a timely manner. It also ensures that the technical knowledge and skills required for maintenance to the HIPP System are available. This option also ensures that no costs are associated to the system and its ongoing maintenance, unless they are needed and approved by the Department.

Rationale for Selection of Particular Alternative:
Alternative 3 is the preferred alternative, as it allows for the opportunity for maintenance of the system to occur by having the proper skills and knowledge available. In addition, this option will help to ensure that necessary maintenance can occur in a timely manner because of the availability of resources allowed via the ITFM contract. Finally, this option will allow the costs associated to be monitored and controlled by using existing processes and standards already associated the ITFM contract.

F. Narrative Detail
As of July 15, 2010, a new custom software application will be implemented and in use by the DPHHS TPL Unit, used to effectively administer HIPP benefits to participants in a timely manner. This system is designed with various automatic functions, including various interfaces with other systems (CHIMES, AWACS).

Because the system is in its infancy, it is anticipated that changes will be required to the system post implementation. These modifications will address defects not found prior to implementation, as well as changes necessary due to additional needs and opportunities not available prior to implementation.

In addition, it is necessary that the policies, procedures, and regulatory mandates that direct and govern the HIPP program will change. The HIPP system will need to be modified to address the changes, allowing the system to remain effective for the administration of HIPP benefits in the ever changing world of health care.

The HIPP System is designed to take advantage of the Department's vision of System Oriented Architecture, allowing data sharing across inter-related programs and across various divisions of the Department. The HIPP System, with the interfaces and automation will increase productivity, and allow for a virtually paperless HIPP process.

Because of the complexity of the HIPP System, the continuous changes of regulations and mandates, it is anticipated that maintenance will be required in order to keep the system running at an optimal level, ensure the system supports the business processes and is in compliance with Federal and State policies and procedure, and will continue to provide the cost savings through time, materials, and additional resources on an ongoing basis.

III. Costs

G. Estimated Cost of Project:

Estimated Cost of Project	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	Total
1. Personal Services - IT Staff							0
2. Personal Services - Non IT Staff							0
3. Contracted Services		277,800	277,800	277,800	277,800	277,800	1,389,000
4. ITSD Services							0
5. Hardware							0
6. Software							0
7. Telecommunications							0
8. Maintenance							0
9. Project Management							0
10. IV & V							0
11. Contingency							0
12. Training							0
13. Other							0
Total Estimated Costs	0	277,800	277,800	277,800	277,800	277,800	1,389,000

Total Funding:

IV. Funding

H. Funding

Total Funding

Fund		FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	Total
1.	01100		27,780	27,780	27,780	27,780	27,780	138,900
2.	03598		250,020	250,020	250,020	250,020	250,020	1,250,100
3.								0
4.								0
5.								0
6.								0
Total Estimated Costs		0	277,800	277,800	277,800	277,800	277,800	1,389,000

Cash/Bonded:

Bill Number:

V. Cost upon Completion

1. **Operating Costs upon Completion**
   This is an ongoing effort and does not have a completion date.

   FTE:

   Personal Services Costs:

   Operating Costs:

   Maintenance Expenses:

   Total Estimated Costs:

2. **Funding Recap**
   This is an ongoing effort and does not have a completion date.

   Fund Type:

   Amount:

   Total Funding:

V. Risk Assessment

A. Current IT Infrastructure Risks

1. Current application 10+ years old? No
   Date of last major upgrade? New HIPP System to implement 7-15-2010

2. Current application is based on old technology? No
   If yes, what is the current hardware platform, operating system, and programming languages used to support the application?

3. Is the agency not capable of maintaining the current application with internal technical staff? No
   If yes, who supports the application today?

4. Other IT infrastructure risks? No
   If yes, provide further detail.

B. Current Business Risks

1. What are the risks to the state if the project is not adopted?
   a. The system will not be changed to meet the changing needs of the business
   b. The system will not be updated to comply with State and Federal Regulations
   c. The system will not be modified to engage in SOA
   d. The system will lose its effectiveness and envisioned efficiencies

2. Does the current application meet current business requirements? No
   If "no", what specific business functions does the application lack?
   a. The system is new, but based on a design that is several years old, and does not incorporate all of the automated functions desired, such as:
      a. Incorporating the use and storage of email
      b. Ability to store / associated electronic documents to the case, not created within the system

C. Project Risk Assessment

1. Describe any major obstacles to successful implementation and discuss how those obstacles will be mitigated.

Table H Risk Assessment

Description	Severity (H/M/L)	Probability of Occurrence (%)	Estimated Cost	Mitigation Strategy
Failure to meet changes to Federal and State mandates	**H**	**75%**		**Manual workarounds will be instituted for compliance purposes**
Changes to related systems make HIPP inbound and outbound interfaces non-functional	**H**	**25%**		**Manually enter the data or create files for data exchange to interfacing systems.**
Decreases in efficiencies due to inability to modify system to meet evolving business needs	**M**	**50%**		**Institute manual work-arounds outside of the system**